

INDUSTRY CIRCULAR

OFFICE OF THE COMMISSIONER OF INTERNAL REVENUE
ALCOHOL AND TOBACCO TAX DIVISION



WASHINGTON 25, D. C.

Industry Circular No. 63-23

December 18, 1963

USE OF DISPARAGING THEMES OR REFERENCES IN ALCOHOLIC BEVERAGE ADVERTISING IS PROHIBITED.

Proprietors of Distilled Spirits Plants,
Wine Producers, Brewers, Wholesale Dealers,
Importers, and others concerned:

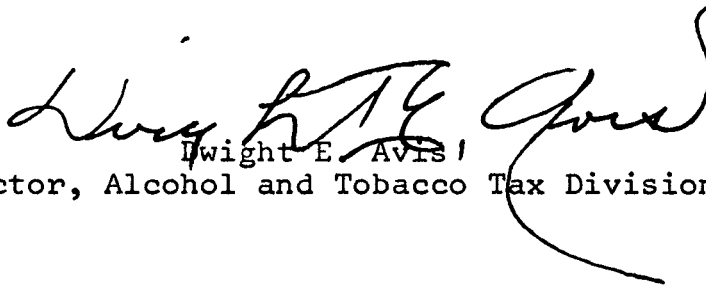
Purpose. This Industry Circular is issued for the purpose of directing the attention of top management to the provisions of the Federal Alcohol Administration Act (27 U.S.C. 205(f)(4)) and regulations thereunder (27 CFR 4.64(a)(2), 5.64(a)(2), and 7.54(a)(2)), which prohibit statements disparaging of competitors' products in advertisements disseminated by producers, importers, and wholesalers of alcoholic beverages.

Background. Examination of advertising copy currently disseminated indicates a trend toward the employment of themes and words and phrases which state or imply that the advertised products do not have the "bite", "burn", "sting", "fire", "heat", "harshness", "roughness", "sharpness", "heaviness", "congeners", etc., found in competing alcoholic beverages. In addition to possible misleading aspects, the use of such themes, or words and phrases, may also be questioned as disparaging of other products and, therefore, contrary to the provisions of law and regulations above cited.

Corrective measures have already been initiated by this office in several instances of such advertising programs. It is expected that the firms involved will take immediate steps to achieve compliance. Because of this apparent trend toward such statements, it is believed advisable to circularize the industry so as to afford all industry members the opportunity of reviewing current or prospective advertising material from this viewpoint and giving to all an opportunity of complying with the cited regulatory requirements.

Conclusion. It should be of particular interest to the principal corporate officers to appraise critically advertising copy now being disseminated, or scheduled for future dissemination, by their firms to see to it that unfavorable comparisons with other alcoholic beverages (either expressed or implied) are avoided. The high degree of voluntary compliance achieved in the past, without resort to the sanctions provided by the Federal Alcohol Administration Act, is a record of which all concerned may be proud.

Inquiries. It is to be hoped that this spirit of voluntary compliance will continue in the future. To that end, permittees and brewers are reminded that they may submit proposed advertising copy to the office of the Director (Alcohol and Tobacco Tax Division, Washington 25, D. C., Attention: CP:AT:B), for informal comment in advance of publication, if they so desire.


Dwight E. Avis,
Director, Alcohol and Tobacco Tax Division